



AMY PITTER  
COMMISSIONER

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
*P.O. Box 9550*  
*Boston, MA 02114-9550*

January 20, 2012

The Honorable Brian S. Dempsey, Chair  
House Committee on Ways and Means  
State House  
Room 243  
Boston, MA 02133

The Honorable Viriato Manuel deMacedo, Representative  
House Committee on Ways and Means  
State House  
Room 124  
Boston, MA 02133

The Honorable Stephen M. Brewer, Chair  
Senate Committee on Ways and Means  
State House  
Room 212  
Boston, MA 02133

The Honorable Michael R. Knapik, Senator  
Senate Committee on Ways and Means  
State House  
Room 419  
Boston, MA 02133

Honorable Chairmen and Ranking Minority Members of the Ways and Means Committees:

Pursuant to Chapter 196 of the Acts of 2008, the Department of Revenue hereby submits its mid-month tax collection report for January 2012. The attached table shows January 2012 month-to-date and FY2012 year-to-date tax revenue collections through January 17, 2012, along with the dollar and percentage changes from the same collection period in January 2011. Also shown are the percentage growth amounts for the full month of January 2012 and for FY2012 year-to-date through the end of January 2012 that were assumed in the benchmarks corresponding to the FY2012 tax revenue estimate of \$21.010 billion, which was revised by the Executive Office for Administration and Finance on October 17, 2011 and kept unchanged after the consensus revenue hearing held on December 12, 2011.

January is one of the three largest tax collection months of the year, as withholding payments continue to reflect end-of-year bonuses, final income tax estimated payments of the tax year ending in December are due, and sales taxes are remitted on holiday season transactions. The January 2012 monthly benchmark corresponding to the FY12 revenue estimate of \$21.010 billion assumes a growth of \$31 million, or 1.5% actual and 3.2% baseline, from January 2011 collections. The income tax rate reduction from 5.3% to 5.25% will affect collections starting this month.

Through January 17, 2012, month-to-date tax collections totaled \$973 million, up \$30 million, or 3.1% from the same period in January 2011, with the full month benchmark projecting a growth of \$31 million.

Month-to-date income tax collections through January 17, 2012 totaled \$842 million, down \$7 million, or 0.8% from the same period in January 2011, with the full month income tax benchmark projecting an increase of \$49 million, or 3.5% from January 2011. Month-to-date income tax withholding totaled \$529 million, down \$8 million, or 1.5% from January 2011, with the full month benchmark projecting a growth of \$38 million, or 4.0%. Although withholding collections have been weak so far, it is too early in the month to gauge meaningful trends (three major withholding payments due during the second half of the month). Month-to-date income tax estimated payments totaled \$312 million, up \$2 million, or 0.7% from January 2011, with the full month benchmark projecting growth of \$5 million, or 0.9% from January 2011 (These payments were due on the January 17<sup>th</sup>, but processing of payments continues well into the 3<sup>rd</sup> and 4<sup>th</sup> week of the month). Month-to-date tax payments with returns and extensions total \$12 million, up \$3 million from the same period last year, with the full month benchmark projecting a growth of \$8 million. Month-to-date income tax refunds total \$11 million, up \$4 million from the same period last year, with the full month benchmark projecting an increase of \$2 million.

As of January 17, 2012, corporate/business tax collections total \$24 million, up \$27 million from the same period last year, with the full month benchmark projecting a decline of \$19 million. Month-to-date corporate and business refunds total \$29 million, up \$2 million from January 2011, with the full month benchmark projecting no change from a year ago.

The January 2012 sales tax benchmark assumes an increase of \$4 million, or 0.9% from January 2011 (the revenues will be reduced by \$15 million due to elimination of sales tax on alcoholic beverages, which took effect on January 1, 2011). Through January 17, 2012, month-to-date sales tax collections totaled \$72 million, up \$17 million, or 29.6% from the same period last January. January 17<sup>th</sup> was too early in the month for sales tax trends to be meaningful, as monthly sales tax payments (other than those for motor vehicle sales tax) are not due until Friday, January 20<sup>th</sup>.

Monthly motor fuels and rooms tax payments are due on January 20<sup>th</sup> and there may be other differences in the due dates for certain tax payments from one fiscal year to the next (e.g., in withholding payments or the timing of refund cycles) which complicate month-to-date comparisons to the prior year. As a result of these factors, revenues received through January 17<sup>th</sup> as reported in the attached table may not be indicative of what the final results for the full month will be. Specifically, they do not necessarily represent one-half of the revenues to be received in the full month and the month-to-date growth rates compared to January 2011 could change significantly by the end of this month. Any variances from the monthly benchmark at this point in the month should not be relied on as an indicator of what total final revenues for the month will be, compared to the full month benchmarks.

If you have any questions concerning this report, please contact either me (at 626-2201) or Kazim P. Ozyurt, Director of the Office of Tax Policy Analysis (at 626-2100).

Sincerely,

A handwritten signature in black ink that reads "Amy A. Pitter". The signature is written in a cursive style with a large initial "A" and a long, sweeping tail.

Amy Pitter  
Commissioner

Attachment

Cc: Jay Gonzalez, Secretary of Administration and Finance  
Representative Robert A. DeLeo, House Speaker  
Senator Therese Murray, Senate President  
Representative Jay R. Kaufman, House Chair, Joint Committee on Revenue  
Senator Gale D. Candaras, Senate Chair, Joint Committee on Revenue  
Representative Bradley H. Jones, Jr., House Minority Leader  
Senator Bruce Tarr, Senate Minority Leader  
Steven Grossman, Treasurer and Receiver General

## Mid-Month Tax Collection Report for January 2012 (in \$ Millions)

Tax Collections as of January 17, 2012, Compared to Same Collection Period in FY2011 and to the FY2012 Tax Revenue Estimate of \$21.010 Billion

	----- Month of January -----						----- FY12 Year-to-Date -----					
	01/12 MTD Collections	01/12 MTD v. 01/11 MTD \$ Change	01/12 MTD v. 01/11 MTD % Change	01/12 Full Month Benchmark (*)	% Growth from 01/11 Assumed in Monthly Benchmark	\$ Needed to Reach 01/12 Full Month Benchmark (*)	01/12 FY12 YTD Collections	01/12 FY12 YTD \$ Change	01/12 FY12 YTD % Change	FY12 YTD Benchmark (**)(**)	% Growth from 01/11 Assumed in FY12 YTD Benchmark	\$ Needed to Reach FY12 YTD Benchmark (**)(**)
<b>Income - Total</b>	<b>842</b>	<b>(7)</b>	<b>(0.8%)</b>	<b>1,434</b>	<b>3.5%</b>	<b>591</b>	<b>6,343</b>	<b>207</b>	<b>3.4%</b>	<b>7,053</b>	<b>5.7%</b>	<b>710</b>
Income Withholding	529	(8)	(1.5%)	976	4.0%	447	5,300	166	3.2%	5,805	4.9%	505
Income Est. Payments (Cash)	312	2	0.7%	484	0.9%	171	999	(31)	(3.0%)	1,254	4.6%	255
Income Returns/Bills	12	3	31.7%	31	36.1%	19	235	36	18.0%	253	18.8%	18
Income Refunds (Cash)	11	4	61.0%	58	2.8%	47	190	(32)	(14.4%)	256	(5.6%)	66
<b>Sales &amp; Use - Total</b>	<b>72</b>	<b>17</b>	<b>29.6%</b>	<b>482</b>	<b>0.9%</b>	<b>409</b>	<b>2,604</b>	<b>56</b>	<b>2.2%</b>	<b>2,983</b>	<b>0.5%</b>	<b>379</b>
Sales - Regular	37	10	38.2%	372	(0.2%)	335	1,798	9	0.5%	2,119	(0.7%)	322
Sales - Meals	9	1	17.0%	67	3.8%	58	460	25	5.7%	511	3.8%	51
Sales - Motor Vehicles	26	5	23.3%	43	5.5%	17	346	22	6.9%	353	2.8%	7
<b>Corporate &amp; Business - Total</b>	<b>24</b>	<b>27</b>	<b>N/A</b>	<b>32</b>	<b>(37.2%)</b>	<b>8</b>	<b>922</b>	<b>(8)</b>	<b>(0.9%)</b>	<b>911</b>	<b>(7.5%)</b>	<b>(11)</b>
Corporate Excise	30	30	7317.3%	29	(47.8%)	(1)	800	(55)	(6.4%)	842	(7.5%)	42
Insurance Excise	(0)	1	N/A	(1)	N/A	(1)	120	20	20.3%	112	11.7%	(8)
Financial Institutions Excise	(4)	(1)	N/A	3	N/A	7	35	47	N/A	(20)	61.5%	(55)
Public Utilities Excise	(2)	(2)	N/A	1	12055.1%	3	(33)	(20)	N/A	(22)	73.6%	11
<b>All Other</b>	<b>34</b>	<b>(7)</b>	<b>(16.9%)</b>	<b>136</b>	<b>(2.0%)</b>	<b>102</b>	<b>949</b>	<b>25</b>	<b>2.7%</b>	<b>1,033</b>	<b>1.0%</b>	<b>84</b>
<b>Total Tax Collections</b>	<b>973</b>	<b>30</b>	<b>3.1%</b>	<b>2,084</b>	<b>1.5%</b>	<b>1,111</b>	<b>10,818</b>	<b>279</b>	<b>2.7%</b>	<b>11,980</b>	<b>2.8%</b>	<b>1,162</b>

(\*) Benchmarks are based on the FY12 tax revenue estimate of \$21.010 billion

(\*\*) Year-to-date benchmarks are year-to-date full month benchmark totals (i.e., July through January full month totals)

Note: Detail may not add to total due to rounding and other technical factors.